

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of California Pacific Electric Company, LLC (U933E) for Authority to Among Other Things, Increase Its Authorized Revenues for Electric Service, Update Its Energy Cost Adjustment Clause Billing Factors, Establish Marginal Costs, Allocate Revenues, and Design Rates, as of January 1, 2013.

Application 12-02-014
(Filed February 17, 2012)

**DECISION GRANTING COMPENSATION TO THE UTILITY REFORM
NETWORK FOR SUBSTANTIAL CONTRIBUTION TO DECISION 12-11-030**

Claimant: The Utility Reform Network	For contribution to: Decision 12-11-030
Claimed: \$34,844.96	Awarded: \$34,844.96
Assigned Commissioner: Michel Peter Florio	Assigned ALJ: Douglas Long

PART I: PROCEDURAL ISSUES

A. Brief Description of Decision:	The decision adopted an uncontested, all-party settlement for the test year 2013 general rate case filed by California Pacific Electric Company (CalPeco). The settlement resolved all issues identified in the application of CalPeco or raised by the Division of Ratepayer Advocates (DRA), The Utility Reform Network (TURN), and the A-3 Customer Coalition (A3CC).
--	--

B. Claimant must satisfy intervenor compensation requirements set forth in Public Utilities Code §§ 1801-1812:

Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference:	4/2/12	Yes
2. Other Specified Date for NOI:	NA	N/A
3. Date NOI Filed:	5/2/12	Yes
4. Was the NOI timely filed?		Yes
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on Administrative Law Judge (ALJ) ruling issued in proceeding number:	Rulemaking (R.) 11-11-008	Yes
6. Date of ALJ ruling:	1/3/2012	Yes
7. Based on another CPUC determination (specify):	NA	N/A
8. Has the Claimant demonstrated customer or customer-related status?		Yes
Showing of "significant financial hardship" (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	R.11-11-008	Yes
10. Date of ALJ ruling:	1/3/2012	Yes
11. Based on another CPUC determination (specify):	NA	N/A
12. Has the Claimant demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	Decision (D.) 12-11-030	Yes
14. Date of Issuance of Final Order or Decision:	12/5/2012	Yes
15. File date of compensation request:	2/4/2013	Yes
16. Was the request for compensation timely?		Yes

C. Additional Comments on Part I:

#	Claimant	CPUC	Comment
5	TURN		TURN understands that the ALJ Division has adopted a practice of only issuing a formal ruling on an intervenor's notice of intent if the intervenor is seeking to demonstrate significant financial hardship, rather than relying on the rebuttable presumption created by an earlier finding of hardship. TURN's showing on financial hardship (relying on the rebuttable presumption) and customer status was contained in our NOI. TURN has previously been found to satisfy these two standards -- for example see ALJ ruling on January 3, 2012 in R.11-11-008.

PART II: SUBSTANTIAL CONTRIBUTION**A. Claimant's claimed contribution to the final decision:**

Contribution	Specific References to Claimant's Presentations and to Decision	Showing Accepted by CPUC
<p>1. This was the first general rate case for CalPeco as an independent company. TURN, DRA, A3CC, and CalPeco submitted an uncontested, all-party Joint Settlement for CalPeco's test year 2013 General Rate Case that comprehensively addressed both Phase 1 and Phase 2 of the GRC, including revenue requirements and rate base calculation, revenue allocation, rate design, and the specific issue of cost allocation and rate design for new vegetation management costs.</p> <p>TURN was an active and integral part of the Joint Settlement, and the Commission should find that the resulting settlement reflects TURN's substantial contribution of each of the TURN-disputed issues covered by the settlement. As is often the case for a GRC settlement, due to the number and range of disputed issues, the settlement does not always address each and every issue or proposal put forth by TURN or other parties in any level of detail. In some instances the settled outcome may represent a combination or blending of issues to create a mutually acceptable agreement.</p> <p>D.12-11-030 approves the settlement stating, "Based on our review of all filed information and a careful review of the proposed settlement between the parties, as discussed below, we find the proposed settlement was offered by competent and adequately prepared parties able to make informed choices in the settlement process...the proposed settlement is reasonable in light of the whole record, consistent with law, and in the public interest. We therefore adopt the settlement." (Internal citations omitted.)</p>	<p>D.12-11-030, at 5.</p> <p><i>See generally</i> D.12-11-030, Appendix A, All-Party Settlement Agreement Among California Pacific Electric Company, LLC (U993E); The Division of Ratepayer Advocates; The Utility Reform Network; and the A-3 Customer Coalition.</p>	<p>Yes</p>
<p>2. TURN had recommended that CalPeco's request of \$5.984 million in Administrative and General Expenses (A&G) for test year 2013 be reduced by \$644,000. The A&G</p>	<p>Ex. TURN-1 (Marcus Direct Testimony), at 3.</p> <p>D.12-11-030, Appendix A, at 6.</p>	<p>Yes</p>

expenses agreed upon by the parties in the Joint Settlement reflects CalPeco's acceptance of most of TURN's proposed reductions, including its proposal to reduce expenses by \$194,180 and reclassify the amount to the appropriate balance sheet accounts.		
<p>3. CalPeco initially proposed a separate allocation of the expenses associated with the Vegetation Management Program on an equal-cents-per-kilowatt-hour basis. A3CC had opposed CalPeco's proposal to allocate cost responsibility for the Vegetation Management Program expenses based on an equal-cents-per-kilowatt-hour basis and proposed an alternative allocation of the Vegetation Management Program expenses based on "cost causation." In rebuttal testimony, TURN opposed A3CC's proposal and recommended that the Commission either adopt CalPeco's equal-cents-per-kilowatt-hour method or assign Vegetation Management Program costs as demand-related distribution costs.</p> <p>Subsequently, the Joint Settlement adopted CalPeco's originally proposed allocation of the expenses on an equal-cents-per-kilowatt hour basis.</p>	<p>Ex. CalPeco-6, at 2-3.</p> <p>Ex. Customer Coalition-1, at 15.</p> <p>Ex. TURN-2, at 3.</p> <p>D.12-11-030, Appendix A, at 9.</p>	Yes
<p>4. TURN proposed a moderate increase to CalPeco's residential customer charge (between \$6.62 and \$7.00) and argued that the Commission should maintain the current composite tier differential of 11% rather than adopting CalPeco's rate modifications which would have resulted in a 9.8% composite tier differential.</p> <p>The Joint Settlement adopts a rate design that incorporates a residential customer charge of \$6.98 and maintenance of the 11% composite tier differential.</p>	<p>Ex. TURN-1, at 12.</p> <p>D.12-11-030, Appendix A, at 9-10.</p>	Yes
<p>5. TURN's participation in settlement negotiations helped to achieve a revenue allocation settlement that limited the increase to residential rates to 1.07% (not including vegetation management costs), a much smaller amount than the 5.15% originally proposed by CalPeco.</p>	<p>D.12-11-030, Appendix A, at 9; <i>see also Id.</i>, Exhibit H.</p> <p>Ex. CalPeco-6, at 28.</p>	Yes

B. Duplication of Effort (§§ 1801.3(f) & 1802.5):

	Claimant	CPUC Verified
a. Was the Division of Ratepayer Advocates (DRA) a party to the proceeding?	Yes	Yes
b. Were there other parties to the proceeding with positions similar to yours?	Yes	Yes
c. If so, provide name of other parties: A-3 Customer Coalition		Yes
d. Describe how you coordinated with DRA and other parties to avoid duplication or how your participation supplemented, complemented, or contributed to that of another party: TURN actively coordinated with DRA to achieve our common objectives. Since DRA filed its testimony on an earlier date, TURN was able to focus on different issues or arguments than those presented by DRA, and thus avoid undue duplication. To the extent that TURN merely supported DRA's position, that fact was briefly stated without elaboration unless TURN had additional evidence or argument to offer on the issues in question. Thus, to the extent there was any overlap, TURN's work supplemented and complemented that of DRA. The A-3 Customer Coalition is also a ratepayer advocate group, but A3CC represents commercial customers taking service under CalPeco's Schedule A-3, Large General Service tariff, which are distinct from the residential and small business ratepayers that TURN represents. Due to the different interests of TURN and A3CC, there was very little duplication of either party's showing and participation.		Yes

PART III: REASONABLENESS OF REQUESTED COMPENSATION**A. General Claim of Reasonableness (§§ 1801 & 1806):**

a. Concise explanation as to how the cost of Claimant's participation bears a reasonable relationship with benefits realized through participation (include references to record, where appropriate) TURN's participation directly resulted in \$644,000 in reductions to CalPeco's Administrative and General expenses. TURN's participation also helped to achieve a revenue allocation settlement that limited the increase to residential rates to a much smaller amount than originally proposed by CalPeco. TURN's cost of participation is minor compared to the benefits gained from the authorization of the uncontested, all-party settlement.	CPUC Verified Verified
b. Reasonableness of Hours Claimed. <u>TURN Attorneys</u> Robert Finkelstein was originally the lead attorney on this proceeding and his hours reflect time spent familiarizing himself with the application and testimony, preparing data requests, and coordinating with TURN's consultants. Due to workload constraints, however, Nina Suetake assumed responsibility for the proceeding in July of 2012, after which Mr. Finkelstein no longer handled any aspect of the proceeding. TURN seeks compensation for approximately 10 of his	Verified

<p>hours here.</p> <p>Ms. Suetake assumed responsibility as lead attorney on this proceeding in July of 2012 and her hours reflect time spent on preparing and reviewing data requests, coordinating with TURN's consultants on data requests and testimony, and negotiating a settlement with CalPeco, DRA, and the A-3 Customer Coalition. TURN seeks compensation for approximately 28 of her hours here.</p> <p>Marcel Hawiger's very minor hours in this proceeding reflect time spent assisting Ms. Suetake to understand specific rate design issues.</p> <p><u>JBS Energy</u></p> <p>William Marcus acted as TURN's expert witness in this proceeding and his testimony covered administrative and general expenses, capital spending, marginal cost, revenue allocation, and rate design. Mr. Marcus' hours also reflect time spent in settlement negotiations with the other parties.</p> <p>John Sugar provided crucial assistance by performing much of the analysis supporting Mr. Marcus's testimony and data request responses.</p> <p>TURN submits that the recorded hours are reasonable, both for each TURN staff member and expert witnesses and in the aggregate. Therefore, TURN seeks compensation for all of the hours recorded by our staff members and outside consultants as included in this request.</p>	
<p>c. Allocation of Hours by Issue</p> <p>(GP) General participation: Time spent on activities necessary to participate in the docket that typically do not vary by the number of issues addressed, such as the initial review of the application and testimony, reading Commissioner and ALJ Rulings, reading other party pleadings, reviewing data requests and responses, preparing for and attending the PHC, and reading and responding to emails from other parties and the ALJ.</p> <p>(RevReq) Revenue Requirement: Time spent on revenue requirement related topics including administrative and general expenses and capital spending.</p> <p>(RD) Rate Design and Revenue Allocation: Time spent on rate design and revenue allocation issues. This issue code includes time spent on rate design and cost allocation for vegetation management costs.</p> <p>(Sett) Settlement: Time spent on activities necessary to negotiate a multi-party settlement such as coordinating schedules for settlement meetings, discussing specific substantive settlement issues with TURN consultants and DRA, participating in settlement negotiations, and discussing settlement drafts and edits.</p> <p>(Comp) Compensation: work on TURN's compensation request and compensation related activities such as the NOI</p> <p>TURN submits that under the circumstances this information should suffice to address the allocation requirement under the Commission's rules. Should the Commission wish to see additional or different information on this point, TURN</p>	<p>Verified</p>

requests that the Commission so inform TURN and provide a reasonable opportunity for TURN to supplement this showing accordingly.

B. Specific Claim:

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
Nina Suetake	2012	27.25	\$315	See Comment 1, below	\$8,583.75	27.25	\$315	\$8,583.75
Marcel Hawiger	2012	0.25	\$375	See Comment 1, below	\$93.75	0.25	\$375	\$93.75
Robert Finkelstein	2012	9	\$480	Res. ALJ-281	\$4,320	9	\$480	\$4,320
William Marcus	2012	29.17	\$260	See Comment 2, below	\$7,584.2	29.17	\$260	\$7,584.2
John Sugar	2012	63.84	\$200	See Comment 2, below	\$12,768	63.84	\$200	\$12,768
	Subtotal:				\$33,349.70	Subtotal:		\$33,349.70
OTHER FEES								
Describe here what OTHER HOURLY FEES you are Claiming (paralegal, travel **, etc.):								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
NA			\$					0
	Subtotal:				NA	Subtotal:		0
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
Robert Finkelstein	2012	0.5	\$ 240	Res. ALJ-281	\$120	0.5	\$ 240	\$120
Nina Suetake	2013	8.5	\$ 157.5	See Comment 3, below	\$1,338.75	8.5	\$ 157.5	\$1,338.75
	Subtotal:				\$1,458.75	Subtotal:		\$1,458.75
COSTS								
#	Item	Detail			Amount	Amount		
1	Copies	Copies of TURN, other party, and PUC pleadings			\$24.2			\$24.2
2	Postage	Postage for sending TURN pleadings			\$11			\$11
3	Telephone	Calls relating to work on Application (A.) 12-02-014			\$1.31			\$1.31
Subtotal:					\$36.51	Subtotal:		\$36.51
TOTAL REQUEST \$:					\$34,844.96	TOTAL AWARD \$:		\$34,844.96
*We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for								

intervenor compensation. Claimant's records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.

**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer's normal hourly rate

Attorney	Date Admitted to CA BAR ¹	Member Number
Nina Suetake	December 14, 2004	234769
Marcel Hawiger	January 23, 1998	194244
Robert Finkelstein	June 13, 1990	146391

C. Attachments Documenting Specific Claim and Comments:

Attachment or Comment #	Description/Comment
Attachment #1	Certificate of Service
Attachment #2	TURN's hours related to D.12-11-030
Attachment #3	TURN's expenses related to D.12-11-030
Attachment #4	TURN hours allocated by issue
Comment #1	<p><u>Hourly Rates for TURN Attorneys</u></p> <p>TURN seeks hourly rates for its staff attorneys at levels that the Commission has previously adopted for each individual's work in a given year, or at an increased level for 2012 consistent with Resolution ALJ-281. The following describes the basis for the requested rates that have not been previously awarded as of the date of this Request for Compensation. TURN previously requested these hourly rates for work in 2012 in its compensation request in A.10-11-015, but the request is still pending. TURN includes the rationale for the requested increases to 2012 rates discussed in its previous compensation request here in its entirety.</p> <p><u>Marcel Hawiger</u>: For Mr. Hawiger's work in 2012, TURN seeks an hourly rate of \$375, an increase of 7.2% from the previously awarded rate of \$350 for 2010 and 2011. The increase is the general 2.2% increase provided for in Res. ALJ-281, plus the first of two 5% step increases available with his move in 2010 to the 13+ years experience tier.</p> <p><u>Nina Suetake</u>: For Ms. Suetake's work in 2012, TURN seeks an hourly rate of \$315, an increase of 7.2% from the previously awarded rate of \$295 for 2011. The increase is the general 2.2% increase provided for in Res. ALJ-281, plus the second of two 5% step increases available with her move in 2009 to the 5-7 years experience tier.</p>
Comment #2	<p><u>Hourly Rates for TURN Consultants</u></p> <p>For the consultants who worked with TURN on this matter, TURN seeks hourly rates at levels that the Commission has previously adopted for each individual's work in a given year, or at an increased level for 2012 consistent with Resolution ALJ-281. Below TURN more fully discusses the new hourly rates sought for the consultants whose work was so critical to TURN's substantial contributions in this proceeding. TURN previously requested these hourly</p>

¹ The inclusion of this information is a result of a 2013 audit of the Intervenor Compensation Program by the State of California.

rates for work in 2012 in its compensation request in A.10-11-015, but the request is still pending. TURN includes the rationale for the requested increases to 2012 rates discussed in its previous compensation request here in its entirety.

William Marcus: For Mr. Marcus, JBS Energy increased Mr. Marcus's hourly rate as of January 1, 2012, by \$10 to \$260, an increase of 4% over the \$250 rate it had charged for his work in each of the previous four years. JBS Energy last changed the hourly rate charged for his work in 2008, when his rate increased from \$220 to \$250. The Commission approved using the \$250 rate for work performed in 2008 in D.08-11-053 (in the Sempra GRC A.06-12-009). In mid-September 2012, the Commission issued Res. ALJ-281 adopting an across-the-board cost-of-living adjustment (COLA) that permits a 2.2% increase to previously authorized hourly rates. Had JBS Energy increased Mr. Marcus's 2012 hourly rate by 7.2%, TURN could have justified that rate by relying on the COLA plus a 5% increase as the first of the two "step" increases provided for in D.08-04-010 and reaffirmed in Res. ALJ-281. Therefore TURN submits that the Commission should find Mr. Marcus's 2012 hourly rate of \$260 to be reasonable due to its consistency with the COLA and a portion of the step increase provided for in those earlier decisions. Should the Commission wish to see further justification for this increase, TURN requests the opportunity to supplement or amend this request accordingly.

John Sugar: The first Request for Compensation that included work performed by John Sugar was TURN's request in A.10-11-015. TURN reiterates its full justification for Mr. Sugar's rates in this filing. [Note that in A.12-02014, Mr. Sugar did not record any hours after August 2012, but TURN keeps the rationale for Mr. Sugar's hourly rates from its Request for Compensation in A.10-11-015 intact below with no edits.]

Mr. Sugar joined JBS Energy in early 2011 after approximately 30 years with Sacramento Municipal Utility District (SMUD) and California Energy Commission (CEC). For work Mr. Sugar performed in 2011 and through August 2012, TURN seeks an hourly rate of \$200; as of September 1, 2012, JBS Energy increased his hourly rate to \$205. TURN seeks these rates because they reflect the market rates that JBS Energy charges all of its clients for work Mr. Sugar performs in 2011 and 2012, and because they are in the lowest quintile of the \$155-\$390 range the Commission has established for 2011 for expert witnesses and consultants with more than 13 years experience.

Mr. Sugar graduated with honors from the University of California, Santa Cruz, with an A.B. degree in economics in 1974. He earned an M.A. in Public Policy from the University of California, Berkeley in 1975. In 1980, he joined SMUD's Conservation Department, supervising program development and evaluation. In 1983, he moved to the Rate Department, developing experimental time-of-use rate programs, and assisting in financings. In 1985, Mr. Sugar joined the Resource Planning Department, developing methodologies to incorporate demand-side programs into the portfolio of resource options available to SMUD. In 1988, Mr. Sugar joined the CEC's Assessments Division, developing and implementing a least-cost methodology for Resource Planning in the Commission's Electricity Report 7. From 1989 through 1993, as Chief Resource Planner, Mr. Sugar was responsible for improving methodological collaboration between Commission staff and parties presenting alternative resource plans. From 1993 to 2011, he managed various efficiency initiatives at the Energy Commission, including managing technical and engineering staff responsible for analysis underlying New Construction Efficiency and Appliance Efficiency standards (1993-1998) and

	<p>managing the CEC's programs providing Best Practices workshops and energy surveys to industrial users, as well as programs providing loans and technical assistance to local jurisdictions (1999-2011).</p> <p>Mr. Sugar has extensive experience preparing and presenting expert witness testimony on energy-related matters. He prepared and presented formal testimony to the CEC on topics related to the Electricity Reports and on New Construction Efficiency Standards cost-effectiveness, expected impacts and the Standards development process. Since joining JBS Energy he has presented testimony at the CPUC regarding an SDG&E proposal to install utility-owned photovoltaics (testimony on behalf of UCAN) and a PG&E proposal for Green Option tariff (A.12-04-020). He has also played an instrumental role in helping to develop the testimony sponsored on behalf of TURN and otherwise assist TURN with its work in proceedings as varied as the SCE Catalina Water GRC (A.10-11-009), the Sempra TCAP (A.11-11-002), the Cal-Peco GRC (A.12-02-014), and the GRCs for the four major energy utilities (SCE – A.10-11-015; SCG/SDG&E A.10-12-005/006; and PG&E A.12-11-009). Mr. Sugar has also performed work with JBS Energy in regulatory proceedings in Texas and Arkansas.</p> <p>With more than 30 years of direct experience in energy regulatory matters in California, the vast majority of which were while on the staff of the CEC, the Commission should have no trouble authorizing an hourly rate for Mr. Sugar at the <u>upper</u> end of the \$155-\$390 range established for 2011 work by expert witnesses with more than 13 years of experience. The \$200 rate is in the <u>lowest</u> quintile of this range, once again affirming that JBS Energy charges rates that are very low by any standard.</p>
Comment #3	<p><u>Compensation related hours</u></p> <p>TURN requests that the Commission apply the requested 2012 hourly rate for Ms. Suetake to the hours related to developing and drafting this compensation request due to the relatively few numbers of hours in 2013. TURN reserves the right to request an hourly rate increase for Ms. Suetake's work in 2013 for other proceedings at a later date if such an increase is applicable.</p>

D. CPUC Disallowances & Adjustments:

#	Reason
	No Disallowances or adjustments. The labor rates proposed are reasonable and consistent with Commission policy and practice.

PART IV: OPPOSITIONS AND COMMENTS

A. Opposition: Did any party oppose the Claim?	No
B. Comment Period: Was the 30-day comment period waived?	Yes

FINDINGS OF FACT

1. The Utility Reform Network has made a substantial contribution to Decision 12-11-030.
2. The requested hourly rates for The Utility Reform Network's representatives are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses are reasonable and commensurate with the work performed.
4. The total reasonable contribution is \$34,844.96.

CONCLUSION OF LAW

1. The Claim, satisfies all requirements of Public Utilities Code §§ 1801-1812.

ORDER

1. The Utility Reform Network is awarded \$34,844.96.
2. Within 30 days of the effective date of this decision, California Pacific Electric Company, shall pay The Utility Reform Network the total award. Payment of the award shall include interest at the rate earned on prime, three-month commercial paper as reported in Federal Reserve Statistical Release H.15, beginning April 20, 2013, the 75th day after the filing of Claimant's request, and continuing until full payment is made.

3. The comment period for today's decision is waived.

This decision is effective today.

Dated _____, at San Francisco, California.

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:		Modifies Decision? No
Contribution Decision(s):	D1211030	
Proceeding(s):	A1202014	
Author:	ALJ Long	
Payer(s):	California Pacific Electric Company	

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier	Reason Change/Disallowance
The Utility Reform Network (TURN)	2/4/13	\$34,844.96	\$34,844.96	No	NA

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Nina	Suetake	Attorney	TURN	\$315	2012	\$315
Marcel	Hawiger	Attorney	TURN	\$375	2012	\$375
Robert	Finkelstein	Attorney	TURN	\$480	2012	\$480
William	Marcus	Expert	TURN	\$260	2012	\$260
John	Sugar	Expert	TURN	\$200	2012	\$200

(END OF APPENDIX)